

ATARI CORPORATION
1196 Borregas Avenue
Sunnyvale, California 94089

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 2, 1992

To the Shareholders of
ATARI CORPORATION

The Annual Meeting of Shareholders of Atari Corporation ("the Company") will be held on Tuesday, June 2, 1992 at 2:00 p.m. (PDT) at the Company's Meeting Room at 1196 Borregas Avenue, Sunnyvale, California 94089, for the following purposes:

1. To elect a Board of Directors to serve for the ensuing year and until their successors are elected.
2. To ratify the appointment of Deloitte & Touche as independent auditors for the Company for the year ending December 31, 1992.
3. To transact such other business as may properly come before the meeting or any adjournment thereof.

The foregoing items of business are more fully described in the Proxy Statement accompanying this Notice. Only shareholders of record on the Company's books at the close of business on May 15, 1992, will be entitled to vote at the meeting.

All shareholders are cordially invited to attend the meeting. Shareholders are requested to complete, date, sign and return the enclosed proxy card as promptly as possible in the postage pre-paid envelope enclosed for that purpose. The giving of such proxy will not affect your right to vote in person should you decide to attend the meeting.

By Order of the Board of Directors
Steven M. Kawalick, Secretary

Dated: April 27, 1992

ATARI CORPORATION

1196 Borregas Avenue
Sunnyvale, California 94089
(408) 745-2000

PROXY STATEMENT

Annual Meeting of Shareholders

June 2, 1992

SOLICITATIONS OF PROXIES

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of Atari Corporation, a Nevada corporation (the "Company"), for use for the purposes set forth herein and in the accompanying Notice at the Annual Meeting of Shareholders to be held June 2, 1992 at 2:00 p.m. at the Company's Meeting Room, 1196 Borregas Avenue, California 94089, and all adjournments and postponements thereof (the "Meeting").

This Proxy Statement and the accompanying form of proxy were first mailed to shareholders entitled to notice and vote at the Meeting on or about May 16, 1992.

The cost of preparing, assembling and mailing the Notice of Annual Meeting of Shareholders, Proxy Statement and form of proxy and the solicitation of proxies will be paid by the Company. In addition to this solicitation, proxies may be solicited in person or by telephone or telegraph by Directors, officers, employees or agents of the Company who will not receive any additional compensation for such solicitation. The Company will furnish proxy materials to brokers, fiduciaries or custodians holding shares in their names that are beneficially owned by others, to permit them to forward such materials to such beneficial owners. The Company will reimburse brokers or other persons holding stock in their names or the names of their nominees for the expenses of forwarding soliciting material to their principals.

VOTING

The close of business on May 15, 1992 has been fixed as the record date for the determination of shareholders entitled to notice of and to vote at the meeting. On that date, there were 57,502,142 shares of the Company's Common Stock outstanding. Each shareholder of record on the record date is entitled to one vote for each share of Common Stock held by such shareholder on any matter that may be presented for consideration and action by the shareholders at the Meeting. In the election of Directors, those Directors and nominees receiving the most votes cast (provided a quorum is present) will be elected. Any other action shall be authorized by a majority of the votes cast at the Meeting, provided a quorum is present. Shareholders are not permitted to cumulate their votes in the election of Directors.

CERTAIN OWNERSHIP OF COMMON STOCK

The following table sets forth information, as of April 24, 1992, with respect to beneficial ownership of Common Stock (a) by persons known by the Company to be the beneficial owners of more than 5% of the outstanding Common Stock, (b) by each director or nominee, and (c) by all directors and officers of the Company as a group.

<u>Name of Beneficial Owner(1)</u>	<u>Amount and Nature of Beneficial Ownership</u>	<u>Percent of Outstanding Common Stock(1)</u>
Jack Tramiel.....	25,158,156 (2&3)	43.8%
Time Warner, Inc. (formerly Warner Communications, Inc.).....	14,200,000 (2)	24.7%
Sam Tramiel.....	1,053,289 (4)	1.8%
Leonard I. Schreiber.....	209,100 (5)	---
August J. Liguori.....	99,000	---
Michael Rosenberg.....	50,000 (6)	---
All directors and officers as a group (8 persons).....	27,898,841	48.5%

(1) Percentage information is omitted for those individuals whose shares beneficially represent less than 1% of the outstanding shares of the Company's Common Stock.

(2) The address of Mr. Jack Tramiel is 1196 Borregas Avenue, Sunnyvale, California 94089. The address of Time Warner, Inc. is 75 Rockefeller Plaza, New York, New York 10019.

(3) The number of shares indicated as beneficially owned by Mr. Jack Tramiel, includes shares held jointly by Jack and Helen Tramiel, his wife. This number excludes an aggregate of 294,088 shares held by 5 other family members, as to which Mr. Jack Tramiel disclaims beneficial ownership.

(4) Does not include 267,488 shares held in trust for Mr. Sam Tramiel's three minor children.

(5) Does not include 15,000 shares each owned by Ellen W. McBride and Laurie L. Baker, daughters of Mr. Schreiber, and 4,000 shares owned by Barbara E. Schreiber, Mr. Schreiber's wife, as to which Mr. Schreiber disclaims beneficial ownership.

(6) In addition, Mr. Rosenberg owns \$100,000 par value of Atari 5-1/4% Convertible Subordinated Debentures.

ELECTION OF DIRECTORS

The Company's directors are to be elected at each annual meeting of shareholders. At this Meeting, five directors will be elected to serve until the next annual meeting of shareholders and until their successors are elected and qualified. The nominees for election as directors at this Meeting are set forth in the table below. All are incumbent directors who have served as such during the last fiscal year, except August J. Liguori. Each of the nominees has consented to serve as director if elected.

In the event that any of the nominees for directors should become unable to serve if elected, it is intended that shares represented by proxies which are executed and returned will be voted for such substitute nominee(s) as may be recommended by the Company's existing Board of Directors. To the best of the Company's knowledge, all nominees are and will be available to serve.

<u>Nominee</u>	<u>Age</u>	<u>Position(s) with the Company</u>
Jack Tramiel	63	Chairman of the Board
Sam Tramiel	42	Director, President and Chief Executive Officer
August J. Liguori	40	Chief Financial Officer and Treasurer
Leonard Schreiber	77	Director
Michael Rosenberg	64	Director

Jack Tramiel founded the Company in May 1984 and has served as its Chairman and, until May 1988, Chief Executive Officer. Until January 1984, he was a Director and President of Commodore Business Machines, Ltd., which he founded in 1958. Mr. Tramiel is the father of Sam, Garry and Leonard Tramiel.

Sam Tramiel has been President and a Director of the Company since June 1984 and became Chief Executive Officer in 1988.

August J. Liguori joined the Company in April 1986 as Vice President - Administration, Atari U.S. Mr. Liguori served as Vice President and General Manager, Atari U.S. from October 1986 to October 1989, as Vice President, Atari Corporation, October 1989 to October 1990 and as Vice President - Finance, Treasurer, Chief Financial Officer since October 1990. Mr. Liguori was nominated to the Board of Directors in April 1992.

Leonard I. Schreiber has been a Director of the Company since its formation in 1984 and served as a Vice President and Secretary of the Company from its formation through 1986. He is a partner of Schreiber & McBride, which serves as General Counsel to the Company. He has been Mr. Jack Tramiel's personal counsel, and until May 1984 had been counsel to Commodore International, Ltd., for over twenty years.

Michael Rosenberg was elected to the Company's Board of Directors in May, 1987. Mr. Rosenberg has been Chairman and Chief Executive Officer of Ross & Roberts, Inc., since he acquired that company from the Bemis Company, Inc., in September, 1987. Prior to this he was employed by Ross & Roberts, Inc. He is a Certified Public Accountant.

Board Meetings and Committees

The Company's Board of Directors met three times during 1991. Each director attended at least 75% in aggregate of the meetings of the Board of Directors and of the Committees on which such director served during the year, except for Sam Chin who was present at only one meeting. The Company seeks potential nominees for Board membership in various ways and will consider suggestions submitted by shareholders. Any such shareholder suggestion should be submitted, in writing, to the Secretary of the Company at the above address.

On May 15, 1990 the Board appointed the following Committees on which the following directors and/or nominee serves or intend to serve:

Executive Committee: Jack Tramiel and Sam Tramiel---The Committee met three times during the year. The Executive Committee reviews and recommends to the Board of Directors action on major business activities of the Company. Subject to election as a Director, August J. Liguori has been appointed to this committee.

Audit Committee: Leonard I. Schreiber and Michael Rosenberg---The Committee met once during the year. The Audit Committee is primarily responsible for approving the services performed by the Company's independent auditors and for reviewing and evaluating the Company's accounting principles and its system of internal accounting controls.

Compensation & Stock Option Committee: Jack Tramiel, Leonard I. Schreiber and Michael Rosenberg---The Committee met once during the year. The Compensation and Stock Option Committee reviews and approves the Company's executive compensation policy and administers the Company's stock option and restricted stock plan.

Management recommends voting "FOR" the election of Messrs. J. Tramiel, S. Tramiel, A. Liguori, L. Schreiber, and M. Rosenberg. Unless otherwise directed by a shareholder, proxies will be voted "FOR" the election of such nominees.

EXECUTIVE OFFICERS OF THE COMPANY

The following table sets forth those executive officers of the Company not set forth above as Directors:

<u>Name</u>	<u>Age</u>	<u>Position(s) with the Company</u>
Steven M. Kawalick	40	Vice President - Legal and Secretary, Atari Corporation, since March 1991; Treasurer and Assistant Secretary, May 1987 to March 1991; Director of Taxes, Atari Corporation, July 1984 to Present; employed by Arthur Anderson prior to July 1984.
Richard Miller	29	Vice President - Technology, Atari Corporation, since May 1989; Director of Research and Development, Atari Corporation from February, 1989; Managing Director of Perihelion Ltd from April, 1987 to February 1989.
Leonard Tramiel	36	Vice President - Operating System Software, Atari Corporation, since March, 1991; Vice President-Software Development, July 1984 to March 1991.

EXECUTIVE COMPENSATION AND OTHER INFORMATION

Executive Compensation

The following table sets forth the cash compensation paid by the Company for services during the 1991 fiscal year to the five most highly compensated executive officers and all executive officers as a group:

<u>Name of Individual or Number in Group</u>	<u>Capacities in which served</u>	<u>Cash Compensation(1)</u>
Sam Tramiel	President and Chief Executive Officer	\$196,844
Jack Tramiel	Chairman	\$179,850
Samuel W.L. Chin	Vice President-Manufacturing Operations	\$350,204(2)
Alwin Stumpf	Executive Vice President - Sales and Marketing	\$393,900(3)
Steven M. Kawalick	Vice President - Legal and Secretary	\$210,173(4)
All executive officers as a group (8 persons including those named above)		\$1,721,336

(1) Compensation includes salaries, bonuses and employer contributions to life insurance policies. No executive officer received other compensation in excess of \$25,000 or 10% of each such officer's cash compensation, nor did all executive officers as a group receive additional compensation in excess of \$25,000 times the number of such officers, or 10% of such officers' aggregate cash compensation. The Company has no pension or retirement plans. The Company paid director's fees of \$500 per meeting during the year to each of its outside directors, Messrs. Schreiber and Rosenberg.

(2) Mr. Chin received a bonus of \$200,000 in connection with the sale of the Company's Taiwanese facility.

(3) Mr. Stumpf received a bonus of \$150,000 upon his promotion to Executive Vice President. He resigned from this position on September 27, 1991.

(4) The Company repurchased 75,000 options to purchase 75,000 shares from Mr. Kawalick for \$1.00 per share for a total price of \$75,000.

Bonus Plan

The Company has a bonus plan whereby a bonus pool equal to 10% of the yearly increase in after tax profits excluding extraordinary and non-recurring items is made available for distribution on a discretionary basis. The Board of Directors feels that such a plan is necessary to attract and keep qualified employees. In 1991, profits, for purposes of this computation, did not increase and accordingly there was no bonus pool, or bonus payments in the year.

Stock Options

In 1986, the Company adopted a stock option plan and restricted stock plan which were amended at the Annual Meeting of Shareholders held on May 16, 1989. At December 31, 1991, options to purchase 1,981,608 shares of Common Stock were outstanding under the Option Plan at an average exercise price of \$3.85 per share.

The Option Plan provides for the issuance of options to purchase up to 3,000,000 shares of Common Stock (less shares purchased under the Stock Plan, if any) to such employees, directors and consultants of the Company and its subsidiaries as the Board of Directors, or a committee appointed by the Board of Directors to administer the Option Plan, may determine. Directors who are not employees are not eligible to be granted options under the Option Plan. The Board or its committee may grant either Incentive Stock Options (as defined in the Internal Revenue Code of 1986, as amended) or nonstatutory stock options.

The Board of Directors of the Company or its committee determines the number of shares to be subject to each option granted under the Option Plan, when the option may be exercisable and the exercise price of the option, which price in the case of Incentive Stock Options may not be less than 100% of the fair market value of the Company's Common Stock on the date on which the option is granted, and in the case of nonstatutory stock options may not be less than 80% of the fair market value of the Company's Common Stock on the date on which the option is granted. The following table sets forth information as to options to purchase Common Stock granted to, or exercised by, each of the five most highly compensated executive officers, all executive officers as a group, and all employees (including executive officers) for the last fiscal year.

<u>Name or Number of Individuals in Group</u>	<u>Options Granted</u>	<u>Weighted Exercise Price</u>	<u>Options Cancelled</u>	<u>Weighted Exercise Price</u>	<u>Net Value of Shares of Cash Realized</u>
Sam Tramiel	200,000	\$3.00	250,000	\$5.40	---
Jack Tramiel	--None--	---	---	---	---
Steven M. Kawalick(1)	--None--	---	75,000	\$5.67	---
Alwin Stumpf	250,000	\$2.00	175,000	\$6.09	---
Samuel W.L. Chin	--None--	---	---	---	---
All executive officers as a group (8 persons including those named above)	580,000	\$2.57	575,000	\$5.74	---
All employees including executive officers as a group	1,196,900	\$2.77	1,512,043	\$6.09	---

(1) The Company repurchased 75,000 options to purchase 75,000 shares of stock from Mr. Kawalick for \$1.00 per share for the total price of \$75,000.

CERTAIN TRANSACTIONS

Loans were outstanding from the following directors and executive officers of the Company and are repayable on demand:

<u>Name</u>	<u>Purpose of Loan</u>	<u>Highest During Year</u>	<u>Outstanding April 24, 1991</u>	<u>Rate</u>
Samuel W.L. Chin	Personal Loan	\$130,000	\$ 99,000	7%
Steven M. Kawalick	House Loan	\$290,000	\$ 61,000	7%
Richard Miller	House Loan	\$145,000	\$145,000	7%
August J. Liguori	Personal Loan	\$111,000	\$ 76,000	7%
Alwin Stumpf	Personal Loan	\$795,000	\$795,000	7%

In November 1991, the Company repurchased 75,000 options to purchase 75,000 shares of stock from Gregory Pratt, a Director of the Company for \$1.00 per share for a total price of \$75,000. Mr. Pratt has resigned as a Director and employee of the Company in January 1992, at which time he transferred to the Company 63,150 shares. Shares transferred together with the \$75,000 were used to repay Mr. Pratt's indebtedness to the Company of approximately \$135,000.

SHAREHOLDER PROPOSALS

Shareholders intending to offer proposals for consideration at the Company's 1993 Annual Meeting of Shareholders must deliver the proposal to the Company by January 17, 1993, to be included in its proxy statement and form of proxy relating to that meeting. Such proposals must comply with applicable corporation laws and with regulations of the Securities and Exchange Commission with respect to matters which may properly be submitted for action by the shareholders, and should be addressed to the Secretary of the Company at 1196 Borregas Avenue, Sunnyvale, California 94089.

RATIFICATION OF APPOINTMENT OF AUDITORS

Messrs. Deloitte & Touche have served as the Company's independent auditors since 1984. The Board of Directors has again selected such firm to audit the financial statements of the Company for the year ending December 31, 1992 and submits this selection for shareholder approval. If the shareholders reject this selection, the Board will consider other firms of independent auditors. A representative of Deloitte & Touche will be present at the Annual Meeting and may make a statement and respond to appropriate shareholder questions.

Management recommends voting "for" the election of Deloitte & Touche as auditors. Unless otherwise directed by a shareholder, proxies will be voted "FOR" the election of Deloitte & Touche as independent auditors.

ANNUAL REPORTS

The Company will use its Annual Report on Form 10-K, which is filed with the Securities and Exchange Commission, as its Report to Shareholders for the fiscal year end December 31, 1991. Such report is being mailed to shareholders with the proxy materials, however, such report is not incorporated in this Proxy Statement and shall not be deemed to be a part of this Proxy solicitation material.

OTHER BUSINESS AND DIRECTOR NOMINATIONS

At the time of the preparation of this Proxy Statement, the Company's Board of Directors had not been informed of any other matters which would be presented for action at the Annual Meeting. If any other matters are properly presented, the persons named in the accompanying form of Proxy will vote or refrain from voting in accordance with their best judgement.

By Order of the Board of Directors
Steven M. Kawalick, Secretary